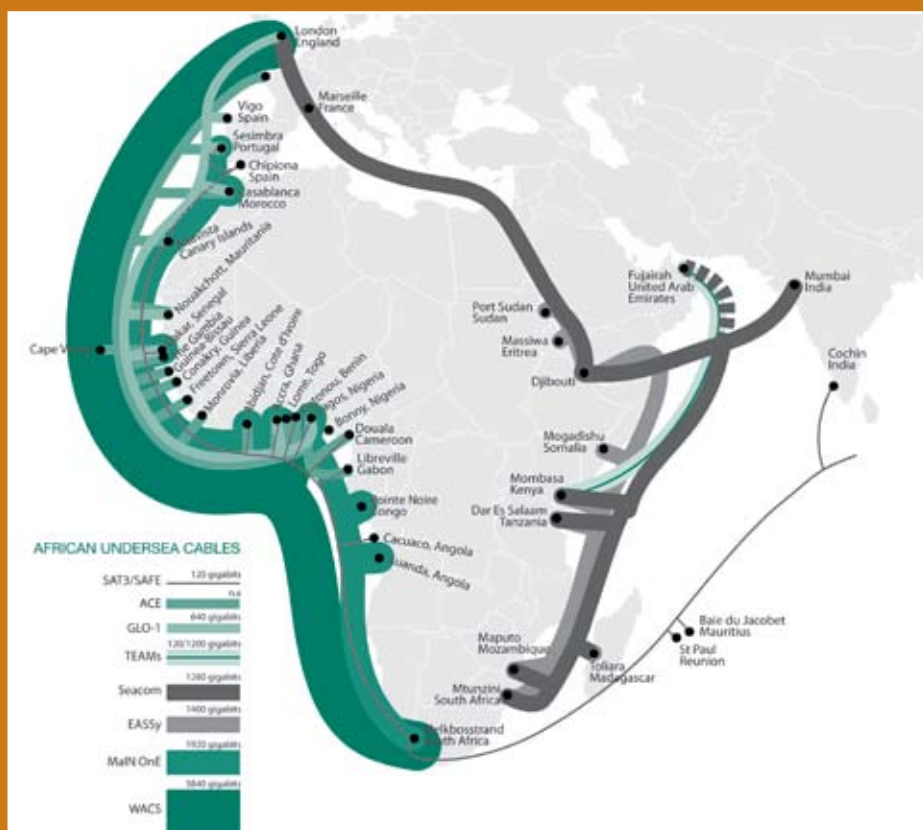


Africa's ICT sector: As dynamic as ever

As the global economic crisis continues to destabilise regional economies, Africa has been the most spared as far as investments in the Information and Communication Technology (ICT) sector go, says Laura Recuero Virto, economist for the Africa and Middle East Desk at the Development Centre of the Organisation of Economic Cooperation and Development (OECD). The need to implement and tap the potential of ICTs in Africa is as pressing as ever.



Map of current and future underwater fiber optic cables in Africa. © Steven Song, www.manypossibilities.net.

► The rise and rise of ICTs in Africa

Virto explains that the success of this sector can be attributed to the significantly lower operational costs and salaries which are typically found on the continent and higher gains from network deployment. A testament to this success is the 48 per cent rate of growth in Africa for French telecommunications company *Orange*, compared to 28 per cent elsewhere. Growth rates are higher in Africa, “because there is a large potential market, and Africa remains one of those areas in the world where you do have a very large population that still remains unconnected”, says Virto.

She adds that largely due to saturated home markets, growth for various European telecommunications companies is now coming from Africa. Moreover, in contrast to smaller companies and sectors with fewer capacities, large companies such as African giant *MTN*, have large cash flows to react to and survive the crisis and to consolidate and find new markets.

Tapping into this potential, African governments in countries like Ghana, Botswana

and Rwanda are also increasingly engaging the ICT sector and private investors, for example by creating ‘technological parks’ geared to integrating new technologies in business activities.

Surpassing mobile phones, Virto notes that submarine fibre optic cables including SEACOM and ACE (Africa Coast to Europe) are currently receiving the most ICT investment in Africa. Deployed along the east and west coasts, they are aimed at creating significantly rapid Internet links between the regions and the rest of the world.

“The biggest question here is how to move from voice to Internet, and this is the second revolution that Africa is facing”, notes Virto.

► Mobilising international cooperation

The EU continues to be an active partner in developing Africa’s ICT sector, through the EuroAfrica-ICT project and conference series as well as the EU-Africa Partnership on Infrastructure, managed by the European Investment Bank. Infrastructure projects include the €173M East African Submarine

Cable System (EASSy), to be completed in 2010 and connecting 22 coastal and landlocked African countries regionally and worldwide, through enhanced telecommunications networks.

“Growth rates are higher in Africa,”

As ICTs circumvent market bottlenecks and ‘spillover’ to sectors such as agriculture, where African farmers can now check market prices via mobile phones, Virto insists that Poverty Reduction Strategy Papers (PRSPs) and other cooperation strategies need to more explicitly engage the major role of ICTs.

“The fact that ICTs are growing so much is not because of ICTs themselves but because of the impact they have on other sectors, and consumers realise this,” says Virto. **O.R.U.**

Keywords

Africa ICT; economic crisis; SEACOM; ACE; EASSy; PRSPs; Okechukwu Romano Umelo.